

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 626

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 6, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 626 (1R), with committee amendments.

This bill, as amended, clarifies that a health insurer shall not impose, or include in its insurance policies, any provision excluding coverage for a preexisting condition. The bill also provides that an insurer shall not include any preexisting condition as a factor in calculating the premium. While the federal Affordable Care Act mandates that health insurers, except in certain grandfathered plans, may not include an exclusion for a preexisting condition in any insurance policy, New Jersey law was never changed to conform to the federal law. This bill revises the New Jersey law concerning group health insurance, the Individual Health Coverage Program, the Small Employer Health Benefits Program, hospital confinement plans, and certain hospital, medical, and health service corporation plans to conform to the federal law regarding preexisting conditions.

The bill supplements the “Health Care Quality Act” to clarify that health insurance carriers offering any health benefits plans in the State may not deny or limit benefits for a preexisting condition or use a preexisting condition as a factor in calculating a premium.

This bill provides that the prohibition on insurers excluding coverage for preexisting conditions, putting certain waiting periods on coverage, or using a preexisting condition as a factor in setting premiums, would continue to be prohibited in New Jersey, if the Affordable Care Act is ever amended or repealed.

COMMITTEE AMENDMENTS:

The committee amendments add a requirement to the “Health Care Quality Act” to provide that health insurance carriers offering health benefits plans in the State cannot use a preexisting condition as a factor in calculating a premium.

The committee amendments also remove a provision from the bill that prohibited health benefits plans under the New Jersey Small

Employer Health Benefits Program from including a preexisting condition as a factor in calculating a premium, because those plans are prohibited from using preexisting conditions under existing law.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.